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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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Federal Communications Commission
Office of the Secretary

EX PARTE OR LATE FILED

Honorable John B. Breaux
United States Senate
516 Hart Senate Office Building
Washington, D.C. 20510-1803

Dear Senator Breaux:

Thank you for your letter regarding the petition for rulemaking filed by Communications Satellite Corporation (COMSAT). As you observe, COMSAT seeks a change in the Commission's Rules that would "cap" its current rates for multi-year carrier switched-voice services.

In a March 5, 1992 Public Notice, the Commission requested comment on the COMSAT petition. We have received comments from Sprint Communications Company L.P.; IDB Communications Group, Inc.; MCI Telecommunications Corporation; Pan American Satellite; and American Telephone and Telegraph Company.

The Commission is reviewing the comments and plans to address this matter expeditiously. I believe that the concerns expressed in your letter will assist us in reaching a decision on the request for rulemaking. We all seek a course of action that will result in a reasonable and fair solution for COMSAT which best serves the public interest.

Sincerely,

Alfred C. Sikes
Chairman

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Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
04/07/92

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9201049	04/07/92	03/31/92	04/20/92	04/16/92

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Senator	John Breau	ACS

CONSTITUENT'S NAME	SUBJECT
personal view	CCB-international information

REF TO	REF TO	REF TO	REF TO
CCB	Dom	INTERN.	TARF

DATE	DATE	DATE	DATE
04/07/92	4/7/92	4/10/92	4/13/92

REMARKS: COMSAT

* John Breaux
Louisiana

Committees:

Commerce, Science, and
Transportation

Finance

Special Committee on Aging

United States Senate

WASHINGTON, DC 20510-1803

March 31, 1992

Alfred C. Sikes, Chairman
Federal Communications Commission
1919 M Street, NW Suite 814
Washington, D.C. 20554

Dear Chairman Sikes:

As you know COMSAT of America is a world leader in providing satellite-delivered international telecommunications services. Since the FCC last considered COMSAT's regulatory status seven years ago, intense competition from fiber optic international telecommunications and other satellite services have emerged. Market changes and an exemplary record of service would seem to warrant serious FCC consideration of COMSAT's request for an incentive-based regulatory regime.

COMSAT petitioned the FCC on January 30, 1992 seeking incremental regulatory relief for its major switched voice services for customers with long term contracts. Regulatory flexibility would allow COMSAT to respond to changing market conditions and customer demands.

By virtue of an overwhelming percentage of international telecommunications traffic that begins or terminates in the United States, for decades COMSAT has, on behalf of our Nation, maintained a dominant role in international communications. I am also pleased to note a related and very positive impact on America's aerospace industry, which is a by-product of COMSAT's commitment to satellite technology development.

The ability of COMSAT and other U.S. companies to maintain a leadership position against increasing international competitive forces is a clear challenge not only to these companies but also to those of us in government who oversee the international telecommunications industry.

I hope that the FCC will move expeditiously in reviewing this request, and will grant whatever changes are necessary and warranted to maintain COMSAT's competitiveness against non-U.S. competitive forces.

Sincerely,


JOHN BREAU
United States Senator

JB:thm

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